

SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES

PART 40—EXCISE TAX PROCEDURAL REGULATIONS

Sec.

40.0-1 Introduction.

40.6011(a)-1 Returns.

40.6011(a)-2 Final returns.

40.6071(a)-1 Time for filing returns.

40.6071(a)-3 Time for an eligible air carrier to file a return for the third calendar quarter of 2001.

40.6091-1 Place for filing returns.

40.6101-1 Period covered by returns.

40.6109(a)-1 Identifying numbers.

40.6151(a)-1 Time and place for paying tax shown on return.

40.6302(a)-1 Voluntary payments of excise taxes by electronic funds transfer.

40.6302(c)-1 Use of Government depositaries.

40.6302(c)-2 Special rules for use of Government depositaries under section 4681.

40.6302(c)-3 Special rules for use of Government depositaries under chapter 33.

AUTHORITY: 26 U.S.C. 7805.

Section 40.6011(a)-1 also issued under 26 U.S.C. 6011(a).

Section 40.6011(a)-2 also issued under 26 U.S.C. 6011(a).

Section 40.6071(a)-1 also issued under 26 U.S.C. 6071(a).

Section 40.6071(a)-3 also issued under 26 U.S.C. 6071(a).

Section 40.6091-1 also issued under 26 U.S.C. 6091.

Section 40.6101-1 also issued under 26 U.S.C. 6101.

Section 40.6109(a)-1 also issued under 26 U.S.C. 6109(a).

Section 40.6302(a)-1 also issued under 26 U.S.C. 6302 (a) and (h).

Section 40.6302(c)-1 also issued under 26 U.S.C. 6302(a) and (h).

Section 40.6302(c)-2 also issued under 26 U.S.C. 6302(a).

Section 40.6302(c)-3 also issued under 26 U.S.C. 6302(a).

SOURCE: T.D. 8442, 57 FR 48177, Oct. 22, 1992, unless otherwise noted.

§ 40.0-1 Introduction.

(a) *In general.* The regulations in this part 40 are designated "Excise Tax Procedural Regulations." The regulations set forth administrative provisions relating to the excise taxes imposed by chapters 31, 32, 33, 34, 36, 38, and 39 (except for the chapter 32 tax imposed by section 4181 (firearms tax) and the chapter 36 taxes imposed by sections 4461 (harbor maintenance tax) and 4481

(heavy vehicle use tax)), and to floor stocks taxes imposed on articles subject to any of these taxes. Chapter 31 relates to retail excise taxes; chapter 32 to manufacturers' excise taxes; chapter 33 to taxes imposed on communications services and air transportation; chapter 34 to taxes imposed on policies issued by foreign insurers; chapter 36 to taxes imposed on transportation by water; chapter 38 to environmental taxes; and chapter 39 to taxes imposed on registration-required obligations. See parts 43, 46, 48, 49, and 52 of this chapter for regulations relating to the imposition of tax.

(b) *References to forms.* Any reference to a form in this part is also a reference to any other form designated for the same use by the Commissioner after October 22, 1992.

(c) *Definition of semimonthly period.* The term "semimonthly period" means the first 15 days of a calendar month (the "first semimonthly period") or the portion of a calendar month following the 15th day of the month (the "second semimonthly period").

(d) *Effective date.* Except as otherwise provided, this part is effective April 1, 1991, for returns that relate to calendar quarters beginning after December 31, 1990, and are filed after March 31, 1991, and for deposits that relate to calendar quarters beginning after March 31, 1991. In the case of taxes for which rules are provided in this part, the administrative provisions that apply to such taxes before the effective date of this part are contained in 26 CFR parts 43, 46, 48, 49 and 52 (each revised as of April 1, 1992).

[T.D. 8442, 57 FR 48177, Oct. 22, 1992; 58 FR 6575, Jan. 29, 1993, as amended by T.D. 8887, 65 FR 36326, June 8, 2000; T.D. 8963, 66 FR 41776, Aug. 9, 2001]

§ 40.6011(a)-1 Returns.

(a) *In general—(1) Return required.* The return of any tax to which this part 40 applies must be made on Form 720, *Quarterly Federal Excise Tax Return*, according to the instructions applicable to the form. The requirement for filing

§ 40.6011(a)-2

26 CFR Ch. I (4-1-04 Edition)

a return under this part 40 applies separately to each tax listed by IRS Number on Form 720. Except as provided in this paragraph (a)(1), an entry must be made on the line for the IRS Number in order to file a return of the tax corresponding to that number. The entry on an IRS Number line of the word “none,” “zero,” or comparable entry clearly indicating a denial of liability constitutes a return of that tax. The entry of the word “none” across the return or in the summary portion, provided it clearly indicates a denial of liability for all taxes, constitutes a return of all taxes listed on Form 720.

(2) *Period covered by return*—(i) *In general.* Except as provided in paragraph (b) of this section, the return must be made for a period of one calendar quarter. A return must be filed for the first calendar quarter in which liability for tax is incurred (or in which tax must be collected and paid over) and for each subsequent calendar quarter, whether or not liability is incurred (or tax must be collected and paid over) during that subsequent quarter, until a final return under § 40.6011(a)-2 is filed. In the case of one-time filings (as defined in § 40.6011(a)-2(b)) and returns of floor stocks taxes under § 40.6011(a)-2(c), a first return is also a final return.

(ii) *First return.* A person’s return is a first return if the person was not required under this part 40 to file a return (other than a final return) for the preceding period.

(iii) *Floor stocks tax return.* A return reporting liability for a floor stocks tax described in § 40.0-1(a) is a return for the calendar quarter in which the tax payment is due and not the calendar quarter in which the liability for tax is incurred.

(3) *Person required to file the return.* Except in the case of a tax required to be collected and paid over, the person incurring liability for tax must file the return. In the case of a tax required to be collected and paid over, the person required to collect the tax (and not the person incurring liability) must file the return.

(b) *Monthly and semimonthly returns*—

(1) *In general.* If the district director determines that any person that is required under this section to file returns has failed to comply in a timely man-

ner with the requirements of this part 40 relating to returns, payments, and deposits of tax, that person will be required, if so notified in writing by the district director, to make a return for a monthly or semimonthly period (as defined in § 40.0-1(c)). Each person so notified by the district director must make a return for the calendar month or semimonthly period in which the notice is received and for each calendar month or semimonthly period thereafter until the person has filed a final return or until the person is notified by the district director to resume making quarterly returns.

(2) *Certain persons liable for tax on taxable fuel.* The district director may require a person to make a return of tax for a monthly or semimonthly period in the manner prescribed in paragraph (b)(1) of this section if the person—

(i) Is a bonded registrant (as defined in § 48.4101-1(b) of this chapter) at any time during the period;

(ii) Has been registered under section 4101 for less than one year at the beginning of the period;

(iii) Meets the acceptable risk test of § 48.4101-1(f)(3) of this chapter by reason of § 48.4101-1(f)(3)(i)(B) of this chapter at any time during the period;

(iv) Has failed to comply with the applicable provisions of § 48.4101-1(h) of this chapter (relating to the terms and conditions of registration);

(v) Is liable for tax under § 48.4082-4(a) of this chapter (relating to the back-up tax on diesel fuel and kerosene) at any time during the period; or

(vi) Is liable for tax under section 4081 (relating to the tax on taxable fuel) at any time during the period and is not registered under section 4101 at that time.

[T.D. 8442, 57 FR 48177, Oct. 22, 1992, as amended by T.D. 8659, 61 FR 10452, Mar. 14, 1996; 61 FR 58005, Nov. 12, 1996; T.D. 8748, 63 FR 25, Jan. 2, 1998; T.D. 8879, 65 FR 17153, Mar. 31, 2000; T.D. 8887, 65 FR 36326, June 8, 2000; T.D. 8963, 66 FR 41776, Aug. 9, 2001]

§ 40.6011(a)-2 Final returns.

(a) *In general*—(1) *Permanent cessation of operations.* Any person that is required under § 40.6011(a)-1 to make returns and that permanently ceases all

Internal Revenue Service, Treasury

§ 40.6091-1

operations with respect to which liability for tax was incurred (or with respect to which tax had to be collected and paid over) must make a final return in accordance with the instructions applicable to the form on which the return is made. A person does not make a final return if only a temporary or partial cessation of such operations occurs and must continue to file returns as required under § 40.6011(a)-1.

(2) *Change in law without cessation of operations.* Any person that is required under § 40.6011(a)-1 to make returns must make a final return in accordance with the instructions applicable to the form on which the return is made if, by reason of a change in law, that person is no longer liable for any tax (or, in the case of a collected tax, is no longer responsible for collecting and paying over any tax). For example, if the tax on a product is changed from a retail tax to a manufacturers tax, a retailer formerly liable for the tax but now buying the product tax-paid from its supplier must make a final return (assuming that the retailer has no other tax liability reportable on the return).

(b) *Special rule for one-time filings*—(1) *In general.* A first return is also a final return if it is a one-time filing. A return is a one-time filing if the person reporting tax does not engage in any activity with respect to which tax is reportable on the return in the course of a trade or business.

(2) *Deposits not required.* See § 40.6302(c)-1(e)(2) for a rule providing that no deposit of taxes reported on a one-time filing is required.

(c) *Special rule for floor stocks taxes.* A first return reporting only floor stocks taxes under this part 40 is also a final return.

[T.D. 8442, 57 FR 48177, Oct. 22, 1992, as amended by T.D. 8685, 61 FR 58005, Nov. 12, 1996; T.D. 8963, 66 FR 41776, Aug. 9, 2001]

§ 40.6071(a)-1 Time for filing returns.

(a) *Quarterly returns.* Each quarterly return required under § 40.6011(a)-1(a)(2) must be filed by the last day of the first calendar month following the quarter for which it is made.

(b) *Monthly and semimonthly returns*—(1) *Monthly returns.* Each monthly return required under § 40.6011(a)-1(b)

must be filed by the fifteenth day of the month following the month for which it is made.

(2) *Semimonthly returns.* Each semimonthly return required under § 40.6011(a)-1(b) must be filed by the last day of the semimonthly period (as defined in § 40.0-1(c)) following the semimonthly period for which it is made.

(c) *Effective date.* This section is applicable with respect to returns that relate to calendar quarters beginning on or after October 1, 2001.

[T.D. 8442, 57 FR 48177, Oct. 22, 1992, as amended by T.D. 8963, 66 FR 41776, Aug. 9, 2001]

§ 40.6071(a)-3 Time for an eligible air carrier to file a return for the third calendar quarter of 2001.

(a) *In general.* If, in the case of an eligible air carrier, the quarterly return required under § 40.6011(a)-1(a) for the third calendar quarter of 2001 includes tax imposed by subchapter C of chapter 33—

(1) The requirements of § 40.6071(a)-2 as in effect on August 7, 2001, do not apply to the return; and

(2) The return must be filed by January 15, 2002.

(b) *Definition of eligible air carrier.* *Eligible air carrier* has the same meaning as provided in section 301(a)(2) of the Air Transportation Safety and System Stabilization Act; that is, any domestic corporation engaged in the trade or business of transporting (for hire) persons by air if such transportation is available to the general public.

(c) *Effective date.* This section is applicable with respect to returns that relate to the third calendar quarter of 2001.

[T.D. 8983, 67 FR 5471, Feb. 6, 2002]

§ 40.6091-1 Place for filing returns.

(a) *Quarterly returns.* Except as provided in paragraph (b) of this section, quarterly returns must be filed in accordance with the instructions applicable to the form on which the return is made.

(b) *Hand-carried returns*—(1) *Persons other than corporations.* Returns of persons other than corporations that are filed by hand carrying must be filed

§ 40.6101-1

26 CFR Ch. I (4-1-04 Edition)

with the district director for the Internal Revenue district in which is located the principal place of business or legal residence of the person.

(2) *Corporations.* Returns of corporations that are filed by hand carrying must be filed with the district director for the Internal Revenue district in which is located the principal place of business or principal office or agency of the corporation.

(c) *Monthly and semimonthly returns.* Monthly and semimonthly returns required under § 40.6011(a)-1(b) must be filed in accordance with the instructions of the district director requiring that filing.

[T.D. 8442, 57 FR 48177, Oct. 22, 1992, as amended by T.D. 8968, 66 FR 41776, Aug. 9, 2001]

§ 40.6101-1 Period covered by returns.

See § 40.6011(a)-1(a)(2) for the rules relating to the period covered by the return.

[T.D. 8963, 66 FR 41776, Aug. 9, 2001]

§ 40.6151(a)-1 Time and place for paying tax shown on return.

Except as provided by statute, the tax must be paid at the time prescribed in § 40.6071(a)-1 for filing the return, and at the place prescribed in § 40.6091-1 for filing the return.

[T.D. 8968, 66 FR 41776, Aug. 9, 2001]

§ 40.6302(a)-1 Voluntary payments of excise taxes by electronic funds transfer.

Any person may voluntarily remit by electronic funds transfer any payment of tax to which this part 40 applies. Such payment must be made in accordance with procedures prescribed by the Commissioner.

[T.D. 8828, 64 FR 37677, July 13, 1999]

§ 40.6302(c)-1 Use of Government depositaries.

(a) *In general*—(1) *Semimonthly deposits required.* Except as provided by statute or by paragraph (e) of this section, each person required under § 40.6011(a)-1(a)(2) to file a quarterly return must make a deposit of tax for each semimonthly period (as defined in § 40.0-1(c)) in which tax liability is incurred.

(2) *Treatment of taxes imposed by chapter 33.* For purposes of this part 40, tax imposed by chapter 33 (relating to communications and air transportation) is treated as a tax liability incurred during the semimonthly period—

(i) In which that tax is collected; or
(ii) In the case of the alternative method, in which that tax is considered as collected.

(3) *Definition of net tax liability.* Net tax liability means the tax liability for the specified period plus or minus any adjustments allowable in accordance with the instructions applicable to the form on which the return is made.

(4) *Computation of net tax liability for a semimonthly period.* The net tax liability for a semimonthly period may be computed by—

(i) Determining the net tax liability incurred during the semimonthly period; or

(ii) Dividing by two the net tax liability incurred during the calendar month that includes that semimonthly period, provided that this method of computation is used for all semimonthly periods in the calendar quarter.

(b) *Amount of deposit*—(1) *In general.* The deposit of tax for each semimonthly period must be not less than 95 percent of the amount of net tax liability incurred during the semimonthly period.

(2) *Safe harbor rules*—(i) *Applicability.* The safe harbor rules of this paragraph (b)(2) are applied separately to taxes deposited under the alternative method provided in § 40.6302(c)-3 (alternative method taxes) and to the other taxes for which deposits are required under this section (regular method taxes).

(ii) *Regular method taxes.* Any person that made a return of tax reporting regular method taxes for the second preceding calendar quarter (the look-back quarter) is considered to have complied with the requirement of this part 40 for deposit of regular method taxes for the current calendar quarter if—

(A) The deposit of regular method taxes for each semimonthly period in the current calendar quarter is not less than 1/6 of the net tax liability for regular method taxes reported for the look-back quarter;

(B) Each deposit is made on time;

(C) The amount of any underpayment of regular method taxes is paid by the due date of the return; and

(D) The person's liability does not include any regular method tax that was not imposed at all times during the look-back quarter or a tax on a chemical not subject to tax at all times during the look-back quarter.

(iii) *Alternative method taxes.* Any person that made a return of tax reporting alternative method taxes for the look-back quarter is considered to have complied with the requirement of this part 40 for deposit of alternative method taxes for the current calendar quarter if—

(A) The deposit of alternative method taxes for each semimonthly period in the current calendar quarter is not less than 1/6 of the net tax liability for alternative method taxes reported for the look-back quarter;

(B) Each deposit is made on time;

(C) The amount of any underpayment of alternative method taxes is paid by the due date of the return; and

(D) The person's liability does not include any alternative method tax that was not imposed at all times during the look-back quarter and the month preceding the look-back quarter.

(iv) *Modification for tax rate increase.* The safe harbor rules of this paragraph (b)(2) do not apply to regular method taxes or alternative method taxes for the first and second calendar quarters beginning on or after the effective date of an increase in the rate of any tax to which this part 40 applies unless the deposit of those taxes for each semimonthly period in the calendar quarter is not less than 1/6 of the tax liability the person would have had with respect to those taxes for the look-back quarter if the increased rate of tax had been in effect for the look-back quarter.

(v) *Failure to comply with deposit requirements.* If a person fails to make deposits as required under this part 40, that failure may be reported to the appropriate IRS office and the IRS may withdraw the person's right to use the safe harbor rules of this paragraph (b)(2).

(c) *Time to deposit—(1) In general.* The deposit of tax for any semimonthly period must be made by the 14th day of

the following semimonthly period unless such day is a Saturday, Sunday, or legal holiday in the District of Columbia in which case the immediately preceding day which is not a Saturday, Sunday, or legal holiday in the District of Columbia is treated as the 14th day. Thus, generally, the deposit of tax for the first semimonthly period in a month is due by the 29th day of that month and the deposit of tax for the second semimonthly period in a month is due by the 14th day of the following month.

(2) *Exceptions.* See § 40.6302(c)-2 for the special rules for September. See § 40.6302(c)-3 for the special rules for deposits under the alternative method.

(d) *Remittance of deposits—(1) Deposits by federal tax deposit coupon.* A completed Form 8109, "Federal Tax Deposit Coupon," must accompany each deposit. The deposit must be remitted, in accordance with the instructions applicable to the form, to a financial institution authorized as a depository for federal taxes (as provided in 31 CFR part 203).

(2) *Deposits by electronic funds transfer.* For the requirement to deposit excise taxes by electronic funds transfer, see § 31.6302-1(h) of this chapter. A taxpayer not required to deposit by electronic funds transfer pursuant to § 31.6302-1(h) of this chapter remains subject to the rules of this paragraph (d).

(e) *Exceptions—(1) Taxes excluded.* No deposit is required in the case of the taxes imposed by—

(i) Section 4042 (relating to fuel used on inland waterways);

(ii) Section 4161 (relating to sport fishing equipment and bows and arrow components);

(iii) Section 4682(h) (relating to floor stocks tax on ozone-depleting chemicals); and

(iv) Section 48.4081-3(b)(1)(iii) of this chapter (relating to certain removals of gasohol from refineries).

(2) *One-time filings.* No deposit is required in the case of any taxes reportable on a one-time filing (as defined in § 40.6011(a)-2(b)).

(3) *De minimis exception.* For any calendar quarter, no deposit is required if the net tax liability for the quarter does not exceed \$2,500.

§ 40.6302(c)-2

26 CFR Ch. I (4-1-04 Edition)

(f) *Effective date.* This section is applicable with respect to deposits that relate to calendar quarters beginning on or after October 1, 2001.

[T.D. 8963, 66 FR 41776, Aug. 9, 2001]

§ 40.6302(c)-2 Special rules for September.

(a) *In general.*—(1) *Separate deposits required for the second semimonthly period.* In the case of deposits of taxes not deposited under the alternative method (regular method taxes) for the second semimonthly period in September, separate deposits are required for the period September 16th through 26th and for the period September 27th through 30th.

(2) *Amount of deposit.*—(i) *In general.* The deposits of regular method taxes for the period September 16th through 26th and the period September 27th through 30th must be not less than 95 percent of the net tax liability for regular method taxes incurred during the respective periods. The net tax liability for regular method taxes incurred during these periods may be computed by—

(A) Determining the amount of net tax liability for regular method taxes reasonably expected to be incurred during the second semimonthly period in September;

(B) Treating $\frac{1}{15}$ of the amount determined under paragraph (a)(2)(i)(A) of this section as the net tax liability for regular method taxes incurred during the period September 16th through 26th; and

(C) Treating the remainder of the amount determined under paragraph (a)(2)(i)(A) of this section (adjusted to reflect the amount of net tax liability for regular method taxes actually incurred through the end of September) as the net tax liability for regular method taxes incurred during the period September 27th through 30th.

(ii) *Safe harbor rules.* The safe harbor rules in § 40.6302(c)-1(b)(2) do not apply for the third calendar quarter unless—

(A) The deposit of taxes for the period September 16th through 26th is not less than $\frac{1}{90}$ of the net tax liability for regular method taxes reported for the look-back quarter; and

(B) The total deposit of taxes for the second semimonthly period in Sep-

tember is not less than $\frac{1}{6}$ of the net tax liability for regular method taxes reported for the look-back quarter.

(3) *Time to deposit.* (i) The deposit required for the period beginning September 16th must be made by September 29th unless—

(A) September 29th is a Saturday, in which case the deposit must be made by September 28th; or

(B) September 29th is a Sunday, in which case the deposit must be made by September 30th.

(ii) The deposit required for the period ending September 30th must be made at the time prescribed in § 40.6302(c)-1(c).

(b) *Persons not required to use electronic funds transfer.* The rules of this section are applied with the following modifications in the case of a person not required to deposit taxes by electronic funds transfer.

(1) *Periods.* The deposit periods for the separate deposits required under paragraph (a) of this section are September 16th through 25th and September 26th through 30th.

(2) *Amount of deposit.* In computing the amount of deposit required under paragraph (a)(2)(i)(B) of this section, the applicable fraction is $\frac{10}{15}$. In computing the amount of deposit required under paragraph (a)(2)(ii)(A) of this section, the applicable fraction is $\frac{10}{90}$.

(3) *Time to deposit.* In the case of the deposit required under paragraph (a) of this section for the period beginning September 16th, the deposit must be made by September 28th unless—

(i) September 28th is a Saturday, in which case the deposit must be made by September 27th; or

(ii) September 28th is a Sunday, in which case the deposit must be made by September 29th.

(c) *Effective date.* This section is applicable with respect to deposits that relate to calendar quarters beginning on or after October 1, 2001.

[T.D. 8963, 66 FR 41777, Aug. 9, 2001]

§ 40.6302(c)-3 Special rules for use of Government depositaries under chapter 33.

(a) *Overview.* This section sets forth an alternative method for computing the amount of deposits of taxes imposed by chapter 33, and provides rules

relating to the time for making a deposit and the amount of tax to be reported on the return of tax for each quarter by persons using the alternative method. The safe harbor rules for computing deposits of tax using the alternative method and the general rules relating to deposits are set forth in § 40.6302(c)-1 and apply unless inconsistent with the rules set forth below.

(b) *Alternative method for computing deposits*—(1) *In general*—(i) *Alternative method*. Any person required to collect and pay over any tax imposed by chapter 33 may compute the amount of that tax to be deposited on the basis of amounts considered as collected (the “alternative method”) instead of on the basis of actual collections of tax.

(ii) *Using more than one method to compute deposits*. A person may compute deposits of tax imposed by one or more sections of chapter 33 using the alternative method provided by this section and compute deposits of taxes imposed by other sections of chapter 33 on the basis of amounts actually collected using the rule of § 40.6302(c)-1(c)(1). For purposes of this paragraph (b)(1)(ii), the taxes imposed by section 4261(a) and (b) are treated as taxes imposed by the same section.

(2) *Applicability*—(i) *In general*. A person may use the alternative method with respect to a tax only if the person—

(A) Separately accounts for the tax in accordance with paragraph (b)(2)(i)(A) of this section; and

(B) Makes a return of the tax on the basis of the amount of the tax that is considered as collected.

(ii) *Separate account*. The account required under paragraph (b)(2)(i)(A) of this section (the “separate account”) must reflect for each month—

(A) All items of the tax that are included in amounts billed or tickets sold to customers during the month; and

(B) Items of adjustment (including bad debts and errors) relating to the tax for prior months within the period of limitations on credits or refunds.

(iii) *Change of method*. The method of computing deposits of tax imposed by a section of chapter 33 (as described in paragraph (b)(1)(ii) of this section) may be changed only at the beginning of a

calendar quarter. Before a person changes the method used to compute the amount of tax to be deposited and reported for a calendar quarter, the person must notify the Commissioner so that proper adjustments may be made in order to properly reflect that person’s collections of excise tax.

(3) *Period during which tax is considered as collected*. For purposes of this section, the tax included in amounts billed or tickets sold during a semimonthly period (as defined in § 40.0-1(c)) is considered as collected during the first seven days of the second following semimonthly period. Thus, the tax included in amounts billed or tickets sold during the first semimonthly period of a calendar month is considered as collected during the period of the 1st day through the 7th day of the following month; the tax included in amounts billed or tickets sold during the second semimonthly period of a calendar month is considered as collected during the period of the 16th day through the 22nd day of the following month.

(4) *When amounts are billed*. For purposes of this section, an amount is billed on the earlier of the date the amount is received or the date a bill for the amount is rendered.

(c) *Time to deposit*. Under the alternative method, the deposit of tax for any semimonthly period must be made by the third banking day after the seventh day of that semimonthly period. Thus, for example, the deposit for the semimonthly period beginning on January 1, 1993 (relating to amounts billed between December 1st and December 15, 1992) is due by January 12, 1993, three banking days after January 7, the seventh day of the semimonthly period.

(d) *Computation of net amount of tax that is considered as collected during a semimonthly period*. The net amount of tax that is considered as collected during the semimonthly period must be either the net amount of tax reflected in the separate account for the corresponding semimonthly period of the preceding month or one-half the net amount of tax reflected in the separate account for the preceding month.

(e) *Reporting of tax*. If a tax is deposited under the alternative method for a

calendar quarter, the return of tax for the quarter must report the net amount of the tax that is considered as collected during the quarter and not the amount of the tax that is actually collected during the quarter. The amount to be reported for each month is the net amount of tax reflected in the separate account for the preceding month. For example, amounts billed in December, January, and February are considered as collected during January, February, and March, and are reported as the collections of tax for January, February, and March (the first calendar quarter). Thus, the net amount of tax reflected in the separate accounts for December, January, and February is the amount reported as collections for the first quarter.

(f) *Special rules for September*—(1) *Deposits required.* In the case of alternative method taxes charged (that is, included in amounts billed or tickets sold) during the first semimonthly period in September, separate deposits are required for the taxes charged during the period September 1st-11th and the period September 12th-15th.

(2) *Time to deposit*—(i) *In general.* The deposit required for alternative method taxes charged during the period beginning September 1st must be made by September 29. The deposit required for alternative method taxes charged during the period ending September 15th must be made at the time prescribed in paragraph (c) of this section for making deposits for the first semimonthly period in October.

(ii) *Due date on Saturday or Sunday.* A deposit that would otherwise be due on September 29 must be made by September 28 if September 29 is a Saturday and by September 30 if September 29 is a Sunday.

(3) *Amount of deposit.* The deposits of alternative method taxes required for the period September 1st-11th and the period September 12th-15th must be not less than the amount of alternative method taxes charged during the respective periods. The amount of alternative method taxes charged during these periods may be computed by—

(i) Determining the net amount of alternative method taxes reflected in the separate account for the first semimonthly period in September (or one-

half of the net amount of alternative method taxes reasonably expected to be reflected in the separate account for the month of September);

(ii) Treating $\frac{1}{15}$ of that amount as the amount of taxes charged during the period September 1st-11th; and

(iii) Treating the remainder of the amount determined under paragraph (f)(3)(i) of this section (adjusted, if that amount is based on reasonable expectations, to reflect actual taxes charged through the end of September) as the amount charged during the period September 12th-15th.

(4) *Safe harbor rule based on look-back quarter liability.* The safe harbor rule of § 40.6302(c)-1(b)(2) does not apply for the fourth calendar quarter unless—

(i) The deposit for alternative method taxes charged during the period September 1st-11th is not less than $\frac{1}{90}$ of the net tax liability reported for alternative method taxes for the look-back quarter; and

(ii) The total deposit for alternative method taxes charged during the first semimonthly period in September is not less than $\frac{1}{6}$ of the net tax liability reported for alternative method taxes for the look-back quarter.

(5) *Persons not required to use electronic funds transfer.* In the case of a person that is not required to deposit excise taxes by electronic funds transfer (a non-EFT depositor), the rules of this paragraph (f) apply with the following modifications:

(i) The taxes for which separate deposits must be made are the taxes charged during the periods September 1st-10th and September 11th-15th.

(ii) The deposit required for taxes charged during the period beginning September 1st must be made by September 28. A deposit that would otherwise be due on September 28 must be made by September 27 if September 28 is a Saturday and by September 29 if September 28 is a Sunday.

(iii) The generally applicable fractions and percentage are modified to reflect the different deposit periods in accordance with the following table:

Generally applicable fractions and percentage	Modifications for non-EFT depositors
11/15	10/15.
11/90	10/90.
69.67 percent	63.33 percent.

Internal Revenue Service, Treasury

§ 41.4481-1

(g) *Effective date.* This section is applicable with respect to deposits and returns that relate to taxes that are considered as collected in calendar quarters beginning on or after October 1, 2001.

[T.D. 8442, 57 FR 48177, Oct. 22, 1992, as amended by T.D. 8685, 61 FR 58006, Nov. 12, 1996; 63 FR 15292, Mar. 31, 1998; T.D. 8963, 66 FR 41778, Aug. 9, 2001; T.D. 9051, 68 FR 15941, Apr. 2, 2003]

PART 41—EXCISE TAX ON USE OF CERTAIN HIGHWAY MOTOR VEHICLES

Subpart A—Introduction

Sec.

41.0-1 Introduction.

Subpart B—Tax on Use of Certain Highway Motor Vehicles

- 41.4481-1 Imposition of tax.
- 41.4481-2 Persons liable for tax.
- 41.4481-3 Registration.
- 41.4482(a)-1 Definition of highway motor vehicle.
- 41.4482(b)-1 Definition of taxable gross weight.
- 41.4482(c)-1 Definition of State, taxable period, use, and customarily used.
- 41.4483-1 State exemption.
- 41.4483-2 Exemption for certain transit-type buses.
- 41.4483-3 Exemption for trucks used for 5,000 or fewer miles and agricultural vehicles used for 7,500 or fewer miles on public highways.
- 41.4483-4 Application of exemptions.
- 41.4483-6 Reduction in tax for trucks used in logging.
- 41.4483-7 Reduction in tax for vehicles registered in a contiguous foreign country.

Subpart C—Administrative Provisions of Special Application to Tax on Use of Certain Highway Motor Vehicles

- 41.6001-1 Records.
- 41.6001-2 Proof of payment for State registration purposes.
- 41.6001-3 Proof of payment for entry into the United States.
- 41.6011(a)-1 Returns.
- 41.6071(a)-1 Time for filing returns.
- 41.6091-1 Place for filing returns.
- 41.6101-1 Period covered by returns.
- 41.6109-1 Identifying numbers.
- 41.6151(a)-1 Time and place for paying tax.
- 41.6156-1 Installment payments of tax on use of highway motor vehicle.

AUTHORITY: 26 U.S.C. 7805; § 41.4482(b)-1 also issued under 26 U.S.C. 4482(b); § 41.4483-3 also issued under 26 U.S.C. 4483(d); § 41.6001-3 also issued under 101 Stat. 260.

SOURCE: T.D. 6216, 21 FR 9645, Dec. 6, 1956; 25 FR 14021, Dec. 31, 1960, unless otherwise noted.

Subpart A—Introduction

§ 41.0-1 Introduction.

The regulations in this part are designated “Highway Use Tax Regulations.” The regulations in this part relate to the tax on the use of certain highway vehicles imposed by section 4481 and to certain associated administrative provisions.

[T.D. 8879, 65 FR 17153, Mar. 31, 2000]

Subpart B—Tax on Use of Certain Highway Motor Vehicles

§ 41.4481-1 Imposition of tax.

(a) *In general.* Tax is imposed on the use during a taxable period of any registered highway motor vehicle that (together with the semitrailers and trailers customarily used in connection with highway motor vehicles of the same type as such highway motor vehicle) has a taxable gross weight of at least 55,000 pounds.

(b) *Rate of tax.* For the rate of tax generally, see section 4481(a). For the rate of tax for certain vehicles used in logging, see section 4483(e). For the rate of tax for certain vehicles base-plated in Canada or Mexico, see section 4483(f). For a special rule for the taxable period in which the tax terminates, see section 4482(d).

(c) *Computation of tax.* (1) Except as provided in paragraph (c)(2) of this section, the tax on the use of a particular highway motor vehicle for a taxable period is computed as follows:

(i) For vehicles with a taxable gross weight of at least 55,000 pounds, but not over 75,000 pounds, add to \$100 an amount equal to \$22 for each 1,000 pounds (or fraction thereof) in excess of 55,000 pounds; and

(ii) For vehicles with a taxable gross weight over 75,000 pounds, the tax is \$550.

(2) If the first taxable use of a particular highway motor vehicle is made